GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:191
ANSWERED ON:03.08.2001
TRADING IN SUGAR
CHANDRA NATH SINGH;SADASHIVRAO DADOBA MANDLIK

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government have decided to allow futures trading in sugar;

(b) if so, the details thereof;

(c) whether the futures trading in sugar is likely to bring about a stability in price; and

(d) the benefits which the farmers and consumers are likely to derive from such trading?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN PART (A) TO (D) OF REPLY TO LOK SABHA STARRED QUESTION NO. 191 FOR 3.8.2001.

(a) : Yes, Sir.

(b) : Government approved futures trading in sugar on 26.4.2001 and the notification was issued on 14.5.2001. A press release inviting applications was also issued. The last date for receiving applications was 13.7.2001. Fourteen applications have so far been received and these are being scrutinized.

(c) & (d): Futures trading in sugar is expected to help price discovery, i.e., in knowing prices of sugar likely to prevail in future, in guarding against future price risks or hedging, and in price stabilization since the fluctuations tend to get moderated. Futures trading provides for risk management in trading and farmers, as well as consumers are likely to benefit through price discovery and stabilization.